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U.S. PATENT & TRADEMARK OFFICE

**REPORT ON THE
FILING OR DETERMINATION OF AN
ACTION REGARDING A PATENT OR
TRADEMARK**

In Compliance with 35 § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been
filed in the U.S. District Court _____ on the following ☐ Patents or ☐ Trademarks:

DOCKET NO. CV 04-01486 CW	DATE FILED 4/15/04	U.S. DISTRICT COURT Northern District of California, Oakland Division
PLAINTIFF Telemac Corporation		DEFENDANT Phonetec LP
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 5,577,100		***see attached complaint
2 6,198,915 ⁸¹		
3		
4		
5		

In the above—entitled case, the following patent(s) have been included:

DATE INCLUDED	INCLUDED BY <input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading		
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK	
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In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT
See attached consent judgment and permanent injunction e-filed on 8/16/07

CLERK Richard W. Wieking	(BY) DEPUTY CLERK Clara Pierce	DATE August 17, 2007
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Copy 1—Upon initiation of action, mail this copy to Commissioner Copy 3—Upon termination of action, mail this copy to Commissioner
Copy 2—Upon filing document adding patent(s), mail this copy to Commissioner Copy 4—Case file copy

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TELEMAC CORPORATION

11
12 UNITED STATES DISTRICT COURT
13 FOR THE NORTHERN DISTRICT OF CALIFORNIA
14

15 TELEMAC CORPORATION, a Delaware
16 corporation,

17 Plaintiff,

18 v.

19 PHONETEC LP, a Texas Limited Partnership;
20 PHONETEC PCS, LLC, a Texas Limited
Liability Company; and DOES 1 through 20,
inclusive,

21 Defendants.
22

Case No. C 04 1486 CW

**CONSENT JUDGMENT AND
PERMANENT INJUNCTION**

23
24 On April 15, 2004, Plaintiff Telemac Corporation ("Telemac") filed a Complaint in this
25 action for patent infringement and imposition of successor liability. In its Complaint, Telemac alleged
26 infringement of its U.S. Patent Nos. 5,577,100 ("100 patent") and 6,198,915 B1 ("915 patent") based
27 upon use by Phonetec LP and Phonetec PCS, LLC (collectively "Phonetec defendants") of prepaid
28 wireless software obtained from US/Intelicom, Inc. ("USI"), Pre-Cell Solutions, Inc. and/or Prepaid

1 Solutions, Inc. Midland Phonetec, LLC is a company related to and commonly owned with Phonetec
2 LP and Phonetec PCS, LLC and has agreed to be bound by this Consent Judgment and Permanent
3 Injunction. Phonetec LP, Phonetec PCS, LLC and Midland Phonetec, LLC are hereafter collectively
4 referred to as "Phonetec" or the "Phonetec Entities." On March 4, 2002, Final Judgment And
5 Permanent Injunction was entered by this Court against USI for infringement of claims 7, 10 and 11 of
6 Telemac's '100 patent. On June 12, 2003, Default Judgment And Permanent Injunction was entered
7 against USI, Pre-Cell Solutions, Inc. and Prepaid Solutions, Inc. for infringement of Telemac's '915
8 patent. Phonetec denies Telemac's claims for patent infringement and imposition of successor
9 liability. Telemac and Phonetec have now settled their disputes and, as part of such settlement, move
10 for entry of this consent judgment and permanent injunction against the Phonetec defendants. With
11 good cause appearing:

12 1. This Court has jurisdiction over the subject matter and the parties to this action.

13 2. While the Phonetec Entities do not admit the allegations made by Plaintiff
14 Telemac in its Complaint, the Phonetec Entities nonetheless, in compromise of the parties' respective
15 claims and defenses, agree to have this judgment entered against them, agree to be forever estopped
16 from challenging the validity of this Consent Judgment and Permanent Injunction and, for the sole
17 purpose of any proceeding to enforce this Consent Judgment and Permanent Injunction, voluntarily
18 waive any defenses that were or could have been asserted by them in this action in response to
19 Telemac's Complaint.

20 3. The Phonetec Entities have not proven any claim of Telemac's '915 patent or
21 any of claims 7, 10 and 11 of Telemac's '100 patent to be invalid or unenforceable. As such, the
22 Phonetec Entities acknowledge that claims 1-46 of Telemac's '915 patent and claims 7, 10 and 11 of
23 Telemac's '100 patent are valid and enforceable, unless a court or the U.S. Patent & Trademark Office
24 invalidate or deem unenforceable said claims of the '915 patent and/or the '100 Patent in proceedings
25 not involving the Phonetec Entities .

26 4. The Phonetec Entities and their officers, directors, managers, agents, servants,
27 employees and attorneys and all persons in active concert or participation with them who receive
28 actual notice of this Order by personal service or otherwise are permanently enjoined and restrained

1 from:

2 (a) infringing any claim of Telemac's '915 patent;

3 (b) infringing claims 7, 10 and 11 of Telemac's '100 patent;

4 (c) operating an infringing debit telephone system using any USI software, including
5 USI software or systems described by such trade names as "EZ-Prepaid", "US/Intelicom-150", "The
6 US/I Prepaid Application", "US/Inteligent", the "US/Intelicom Solution", "USIntelitalk" or "The
7 Intelligent Prepaid Solution" and any software obtained from USI or USI's former Chief Technology
8 Officer, Mr. Jonathan K. O'Neal, such as the "modified" version of USI's infringing source code
9 created by Mr. Jonathan K. O'Neal during February, 2002;

10 (d) using infringing USI debit telephone software to program a mobile telephone unit;

11 (e) transferring any of USI's infringing debit telephone software or any interest therein,
12 including legal title to such software, to any party who has not been expressly exempted from this
13 injunction in a written license or other written agreement with Telemac; and,

14 (f) knowingly aiding or abetting any other party to operate an infringing debit
15 telephone system using USI software.

16 5. The Phonetec Entities and their officers, directors, managers, directors and
17 attorneys are further ordered within 45 days after entry of this Consent Judgment and Permanent
18 Injunction to destroy all digital and hard copies of any software, source code, specifications, diagrams
19 and patent applications in their possession, custody or control which were obtained from USI or USI's
20 former Chief Technology Officer, Mr. Jonathan K. O'Neal, including the "modified" version of USI's
21 infringing source code created by Mr. Jonathan K. O'Neal during February, 2002 and any copies
22 thereof. However, this paragraph is not an admission or representation by Phonetec that it has in its
23 possession, custody, or control any software or source code obtained from USI or Jonathan O'Neal.

24 6. Each party shall bear its own attorneys fees and expenses in connection with
25 this action. Except as provided in this Consent Judgment and Permanent Injunction and in the parties'
26 Settlement Agreement, no damages or other relief will be imposed against any of the parties to this
27 action in connection with the asserted claims.

28 7. The Court will retain jurisdiction over this action and the parties to the extent

1 necessary to enforce this Consent Judgment and Permanent Injunction as well as the parties'
2 corresponding confidential Settlement Agreement and Mutual Release.

3 IT IS SO ORDERED.

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5 8/16/07

6 Dated: _____



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CLAUDIA WILKEN
United States District Judge

8 IT IS AGREED by and between the respective parties to this action that this Consent
9 Judgment and Permanent Injunction may be entered as a final determination between the respective
10 parties to this action.

11
12 PLAINTIFF TELEMAC CORPORATION

13 TOWNSEND AND TOWNSEND AND CREW LLP

14
15 Dated: August 14, 2007

16 By: /s/Guy W. Chambers
Guy W. Chambers
Attorneys for Plaintiff Telemac Corporation

17 DEFENDANTS PHONETEC LP AND PHONETEC PCS, LLC

18 BELL NUNNALLY & MARTIN LLP

19
20 Dated: August 14, 2007

21 By: /s/Tammy S. Wood
Tammy S. Wood
Attorneys for Defendants Phonetec LP and Phonetec PCS, LLC

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